

BEFORE THE
TENNESSEE REGULATORY AUTHORITY

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Joint Application of)
)
ICG TELECOM GROUP, INC.)
)
and)
)
XSPEDIUS MANAGEMENT CO. SWITCHED SERVICES, LLC)
and XSPEDIUS MANAGEMENT CO. OF CHATTANOOGA, LLC)
)
)
For Expedited Approval of the Transfer of Assets,)
Including Customers, of ICG Telecom Group, Inc. to)
Xspedius Management Co. Switched Services, LLC)
And Xspedius Management Co. of Chattanooga, LLC)

Docket No. 05-00103

**APPLICATION FOR TRANSFER OF ASSETS AND CUSTOMER BASE AND
REQUEST FOR EXPEDITED TREATMENT**

ICG Telecom Group, Inc. ("ICG"), Xspedius Management Co. Switched Services, LLC, and Xspedius Management Co. of Chattanooga, LLC (together, "Xspedius" and, together with ICG, the "Applicants"), through their undersigned counsel and pursuant to T.C.A. § 65-4-112, hereby respectfully request that the Tennessee Regulatory Authority ("TRA" or "Authority") grant them authority to consummate a transaction involving the transfer of certain Tennessee assets of ICG, including most of ICG's Tennessee customers, to Xspedius without interruption of service. Xspedius is already authorized to provide telecommunications services in Tennessee and is ready, willing and able to acquire the assets and continue serving the ICG customers in Tennessee in a seamless manner. The Authority has already examined the qualifications of the Xspedius to provide telecommunications service and determined that it is in the public interest

for Xspedius, backed by its parent corporation, Xspedius Communications, LLC, to be an authorized service provider in Tennessee. The acquisition of the ICG assets will enable Xspedius to compete more effectively in the telecommunications marketplace as well as allow ICG to restructure its operations and continue to implement its business strategies going forward. This transfer of assets does not involve the transfer of ICG's certificate to offer service in Tennessee.

Pursuant to the terms of an Asset Purchase Agreement ("Agreement") dated April 6, 2005 among ICG, ICG's parent company, ICG Communications, Inc. ("ICG Parent"), and Xspedius' parent company, Xspedius Communications, LLC ("Xspedius Parent"), as described in more detail below, Xspedius Parent will acquire certain of the assets of ICG related to its communications business in five (5) markets: Birmingham, Alabama; Atlanta, Georgia; Louisville, Kentucky; Charlotte, North Carolina; and Nashville, Tennessee (the "Transaction"). Accordingly, Applicants request that the TRA approve the transfer of assets, including customers, of ICG to Xspedius. The proposed Transaction is not expected to result in any loss or impairment of service to any of the ICG customers. Customers will continue to receive their existing services at the same rates, terms and conditions and any future changes in the rates, terms and conditions of service will be made consistent with Authority requirements. The only change will be in the customers' service provider.

The Applicants respectfully request *expedited* treatment and consideration of this Application so that the Applicants' business plans can be implemented, which business plans include consummation of the Transaction on or about June 1, 2005. Thus, Applicants respectfully request that the TRA grant all relief sought herein on or before June 1, 2005.

In support of this Application, Applicants respectfully provide the following information:

I. APPLICANTS

A. ICG Telecom Group, Inc.

ICG Communications, Inc. ("ICG Parent") is the holding company of the ICG companies, including ICG, a family of companies that provides communications and information services over a nationwide fiber-optic data and voice network. ICG Parent (a Delaware corporation) and ICG (a Colorado corporation) are both located at 161 Inverness Drive West, Englewood, Colorado 80112.

The ICG companies, including ICG, offer a range of resold and facilities-based services, including service over a managed fiber-optic network with numerous points of presence nationwide. ICG's service offerings include local and long distance telecommunications services, data services, information services, and other communications solutions. ICG services are primarily offered to medium and large-sized businesses, ISPs, interexchange carriers and other telecommunications carriers.

ICG is a wholly owned subsidiary of ICG Holdings, Inc., an intermediate holding company organized under the laws of Colorado, which in turn is a wholly owned subsidiary of ICG Parent. ICG is authorized to provide interstate and international services and local and/or intrastate long distance services in virtually every state. In Tennessee, ICG is authorized to provide interexchange and local exchange service.¹ Although most of the ICG customers in Tennessee are being transferred to Xspedius, ICG will continue to provide service to certain ICG nationwide customers and therefore will still operate on a limited basis in Tennessee. As a result, ICG does not seek to discontinue service or surrender its authorization to provide telecommunications service in Tennessee.

¹ See Docket No 93-07922, October 29, 1996 and August 24, 1995.

B. Xspedius

Xspedius is a wholly owned subsidiary of Xspedius Communications, LLC ("Xspedius Parent"), a Delaware limited liability company that is privately-held and located at 5555 Winghaven Boulevard, O'Fallon, Missouri 63366. Through its subsidiaries, Xspedius Parent (together with its subsidiaries, the "Company") provides advanced, integrated telecommunications services targeted to residential and small business customers, including local and long distance telephone services in combination with enhanced communication features. The Company currently is authorized to provide competitive local and long distance telecommunications services in 20 states, and the District of Columbia, operating 2,273 metropolitan fiber route miles (as of December 31, 2004), in a total of 55 markets. In Tennessee, Xspedius is authorized to provide interexchange and local exchange service.² Thus, Xspedius is qualified and authorized to acquire the ICG customers and provide them with continuing quality service. The financial, managerial and technical qualifications of Xspedius are on file with the Authority in connection with its certification docket and are incorporated by reference herein.

As the TRA has already determined, Xspedius is financially qualified to provide telecommunications services in Tennessee. With the financial backing of its ultimate parent company, Xspedius Parent, Xspedius has access to the financing and capital necessary to conduct its telecommunications operations and to fulfill any obligations it may undertake with respect to the operation and maintenance of its services. The Company ended 2004 with positive cash flow, as well as completed its fifth quarter of sequentially improving EBITDA. In addition, the Company has just completed a senior secured debt financing for \$55 million.

² See Docket No. 02-00714, Order dated August 28, 2002.

Xspedius also has the requisite technical and managerial qualifications to provide telecommunications services in Tennessee. As noted above, the Company currently is authorized to provide competitive local and long distance telecommunications services in 20 states, and the District of Columbia, operating 2,273 metropolitan fiber route miles (as of December 31, 2004), in a total of 55 markets. The Company has successfully provided a host of local and long distance telecommunications services over the past several years, and operates a reliable and diverse voice and data network using proven technology by leading manufacturers. Both sales and service personnel are trained professionals. For customer inquiries, the toll-free customer service number will be 1-800-937-7473 after consummation of the Transaction. Xspedius has an experienced management team with more than 100 years of combined telecommunications experience. Collectively, members of the management team have designed, managed, and/or operated advanced telecommunications facilities throughout the United States. These already significant capabilities will be augmented by the facilities and personnel obtained in the Transaction. More information about Xspedius can be found at www.xspedius.com.

II. DESIGNATED CONTACTS

The designated contact for this Application is:

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III. THE TRANSACTION AND TRANSFER OF CUSTOMERS

Pursuant to the terms of the Agreement³ dated April 6, 2005 among ICG, ICG Parent and Xspedius Parent, Xspedius Parent will acquire certain of the assets of ICG related to its communications business in five (5) markets: Birmingham, Alabama; Atlanta, Georgia; Louisville, Kentucky, Charlotte, North Carolina; and Nashville, Tennessee (the "Transaction"). The assets include fiber network, switching and other related assets.

The proposed transfer of customers from ICG to Xspedius will have no adverse impact on customers. Following completion of the Transaction, the ICG customers will continue to receive service from Xspedius pursuant to the same rates, terms and conditions that they have prior to the transfer and any future changes in the rates, terms and conditions of service will be made consistent with Authority requirements. As a result, the proposed Transaction will be

³ A copy of the Agreement will be provided upon request.

entirely transparent to customers served by ICG in terms of the services that they receive. To ensure a seamless transition and avoid customer confusion or inconvenience, Applicants will provide advance written notice to the affected customers at least thirty (30) days prior to the transfer, explaining the change in service provider in accordance with applicable Federal Communications Commission and Tennessee requirements for changing a customer's presubscribed carrier. A copy of the notification letter that will be sent to the affected customers will be provided to the Authority for its approval shortly.

IV. PUBLIC INTEREST CONSIDERATIONS

The Applicants submit that the Transaction is in the public interest. In particular, the assignment of the ICG customer accounts will ensure that those customers continue to receive uninterrupted service. At the same time, the proposed Transaction will allow ICG to continue to restructure its operations and allow ICG to continue to implement its business strategies going forward. It is expected that the Transaction will increase competition in the Tennessee telecommunications market by strengthening Xspedius' position as an effective and multifaceted telecommunications carrier. The Company's acquisition of these assets will allow Xspedius to combine its financial, technical and market resources and expertise with that of ICG, thereby enhancing its ability to provide reliable, competitively priced services to customers in Tennessee.

The Applicants emphasize that, following the transfer, the former ICG customers will continue to receive services from an experienced and qualified carrier, which services will be consistent with the quality of services currently provided by ICG. Indeed, the proposed Transaction will be transparent to customers in terms of the services those customers receive. As set forth above, Xspedius is well qualified to continue to provide such services. In sum, the proposed Transaction is expected to enhance competition in the Tennessee market by enhancing

Xspedius as a viable competitor while at the same time allowing ICG to continue the on-going restructuring of the ICG operations. The Applicants anticipate that customers will experience a seamless transition of service provider. Further, these customers will be sufficiently notified of the Transaction and their rights. Hence, the public interest will be served by Xspedius' provision of services to the transferred ICG customers.

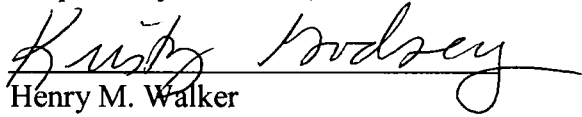
In sum, grant of this Application will serve the public interest by furthering competition in the Tennessee telecommunications market, as a result of the strengthened competitive position of Xspedius. Applicants are seeking to complete the proposed transaction by June 1, 2005. To that end, Applicants respectfully request that the Authority expedite the processing and grant of approval of this Application as soon as possible.

V. CONCLUSION

The Applicants respectfully request that the Authority grant approval for the transfer of assets, including customers, of ICG to Xspedius. Applicants respectfully request that the Authority grant all relief requested herein, and any additional relief the Authority determines is appropriate, on or before June 1, 2005.

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Respectfully submitted,

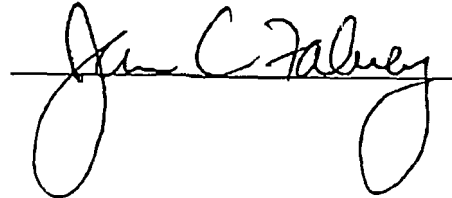

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VERIFICATION

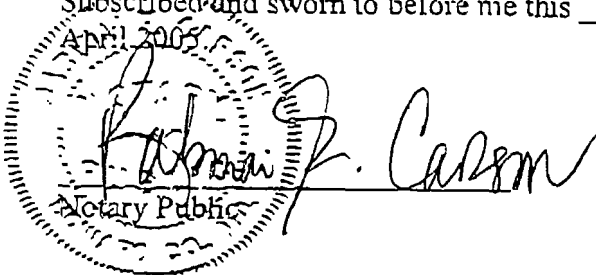
I, James C. Falvey, am Senior Vice President, Regulatory Affairs, of Xspedius Communications, LLC and am authorized to represent it and its affiliates, and to make this verification on their behalf. The statements in the foregoing document relating to this company and its affiliates, except as otherwise specifically attributed, are true and correct to the best of my knowledge and belief.

I declare under penalty of perjury that the foregoing is true and correct.

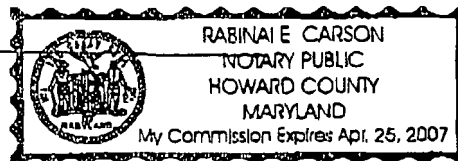


Subscribed and sworn to before me this 15th day of

April, 2005



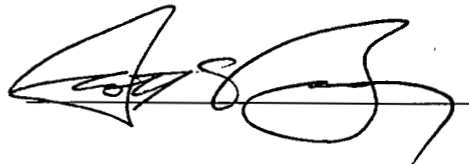
My Commission expires: _____



VERIFICATION

I, Scott E. Beer, am Vice President, General Counsel, of ICG Communications, Inc. and am authorized to represent it and its affiliates, and to make this verification on their behalf. The statements in the foregoing document relating to this company and its affiliates, except as otherwise specifically attributed, are true and correct to the best of my knowledge and belief.

I declare under penalty of perjury that the foregoing is true and correct.



Subscribed and sworn to before me this 14th day of April 2005.



Notary Public

My Commission expires: 10-15-05

